

The Power of Data

How to Measure the Effectiveness
and Value of DEI

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Beginning in summer 2020, a move to create DEI initiatives swept through the corporate landscape. Companies began to understand the potential benefits of diversity, equity, and inclusion (DEI): to help organizations be more productive, profitable, and innovative. Yet many organizations weren't able to effectively integrate DEI into core business practices. Early initiatives stalled because they couldn't prove its bottom-line value.

Companies failed to see the promised benefits of DEI because they lacked a key ingredient – measurement. **In fact, only 38% of organizations track DEI metrics, and roughly half of organizations that capture DEI data focus exclusively on tracking workforce demographics,** (HR Research Institute, 2021).

Without the right data, it can be nearly impossible to demonstrate the return on investment of any DEI initiative. To create

buy-in and get the resources they need to create sustainable initiatives, senior executives and DEI leaders need to answer these vital questions:

1. Why does DEI matter to my organization?
2. What is the next step in our DEI plan?
3. Are our DEI efforts working?

But how do you measure intangible concepts such as diversity, equity, and inclusion? How do you collect the data? What's the best way to share the data? How do you use the data to shape your next move? This guidebook will answer those questions and give you the power to:

1. Diagnose risk areas and opportunities
2. Track the progress of initiatives
3. Calculate return on investment

Assess

In order to measure the success of any DEI initiative, it's critical that you obtain baseline data. If you don't have baseline data, then you have no way to indicate progress, and certainly no way to tie perceived progress to your initiative. So, before you begin any DEI program, you'll want to collect data — a lot of it.

Let's start by defining what that data may look like.

Quantitative and Qualitative Data

In order to create an accurate picture of your organization, it is critical to pair quantitative and qualitative data. In short, quantitative data can be counted, measured, and expressed with numbers. It is objective, conclusive, and can be easily tracked over time. Quantitative data tends to be more credible, however it is limited in its breadth. Qualitative data, on the other hand, is descriptive and observable, subjective and exploratory. It is more challenging to track and synthesize, but qualitative data results in stories that spur meaningful change.

Diversity, Equity, and Inclusion

Diversity (People) can be defined as the ways that people differ from one another, which include things like race, gender, age, sexual orientation, ethnicity, social class, experience, skill set, and many other categories of identity.

Equity (Policies) recognizes that each person has different circumstances and opportunities, and provides proportionate resources and representation to reach an equal outcome. Equity data will thus be a combination of quantitative and qualitative data points. Stories of when individuals in an organization felt that they were or were not treated fairly, did or did not have equal access to opportunities, information, or resources are important here.

Inclusion (Participation) refers to a cultural and environmental feeling of belonging and being able to fully participate in the organization. In the workplace, that means all employees feel appreciated for their unique characteristics and are therefore comfortable sharing their ideas and other aspects of their full, authentic selves. Inclusion data should measure feelings of belonging, feeling heard, and being included in decision-making.

What to Measure

Audit

Any collection of baseline data should begin with a review that covers the following categories (sample data to collect).

Diversity	Age, Race, Gender, etc.
Equity	Salary & Benefits, Promotions, Performance Reviews
Inclusion	Turnover & Tenure, Climate Surveys, Employee Interviews
Retention	Career Progressions, Succession Planning, Development Opportunities
Policies & Processes	Recruitment Strategies, Job Descriptions, Holidays
DEI Programming	Surveys/Assessments Before & After Programs, Training, Events, and Activities

In addition to determining what data to collect, we recommend doing an organizational landscape analysis, which is a deep audit of your existing organizational materials. This process can feel overwhelming, so we've compiled a guide to explain [how to conduct an organizational landscape analysis](#) utilizing the following topics and more.

- ◆ Employee handbook and policies
- ◆ Demographics (employee, client, community)
- ◆ Recruitment and onboarding processes
- ◆ Compensation (pay and benefits)
- ◆ Performance reviews



Capture the Data

Survey Design

Once you've completed your landscape analysis, you can move to internal surveys. There are several best practices when it comes to survey design:

Don't make survey questions required. This can lead to low rates of survey completion. When asking demographic questions, always provide a "prefer not to answer" option, and for certain questions, include "prefer to self-describe" (and provide a space to do so).

Avoid jargon, slang, idioms, or words that might carry different meanings for different people and can present a form of bias. Use expressions and terminology that are commonly understood by those taking the survey.

Create accessible surveys that people with varying hearing, movement, sight, and cognitive abilities can complete (e.g., consider color contrast, navigating dropboxes, sliders, etc.).

Make survey questions easy to understand. Try to keep your survey questions at a fifth-grade reading level.

Only ask questions you need to know, and always consider a survey's length in terms of time, not questions. For example, you might have 40 multiple choice questions that take less than 10 minutes to answer, while another survey may have 10 open-ended questions that take much longer to complete.

Make sure your survey questions are worded inclusively and follow [inclusive language best practices](#). For example, rather than asking “Do you identify as lesbian, gay, bisexual, or transgender?” you may consider asking open-ended questions such as “What is your gender identity?” and “What is your sexual orientation?”

Avoid leading or “yes-no” questions. Instead of asking, “Are you excited about the efforts [your company] is putting into Diversity & Inclusion,” structure your survey so folks can rate the company’s commitment to DEI on a five-point scale. By including statements like the following examples and asking employees to report their level of agreement or disagreement, you can measure their feelings of diversity, equity, and inclusion.



Diversity

- ◆ There is cultural diversity throughout the organization.
- ◆ Our organization takes active measures to seek a diverse candidate pool when hiring.



Equity

- ◆ Supervisors generally assign work and recruit help on key projects without any kind of bias.
- ◆ I feel that I have access to career development opportunities at the organization.



Inclusion

- ◆ Our organization enables me to balance my work and personal life.
- ◆ In my organization, I can be successful as my authentic self.

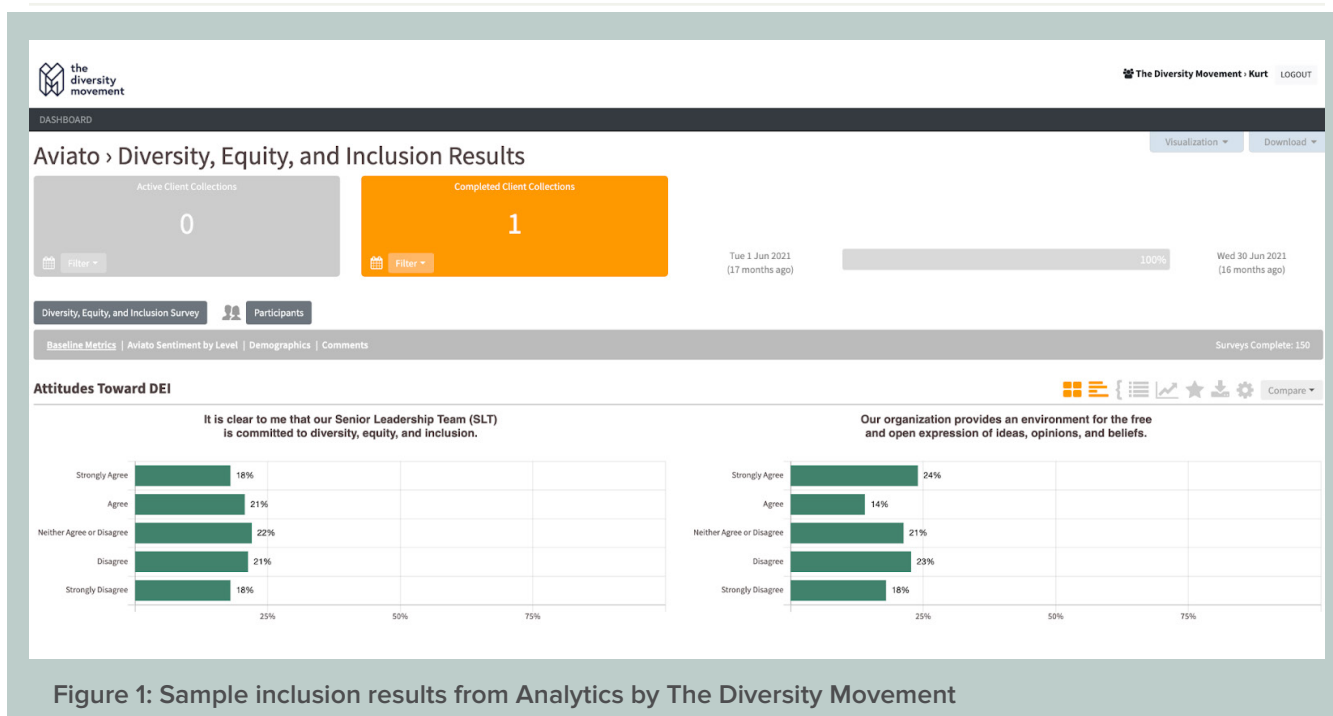


Figure 1: Sample inclusion results from Analytics by The Diversity Movement

Finally, make sure you are asking the right demographic questions. Most organizations choose to use the Equal Employment Opportunity Commission, or EEOC’s, [eight protected characteristics](#) (which include race, color, religion, sex, national origin, age, disability, and genetic information). We also recommend asking questions regarding veteran status, first language, tenure at the organization, department within the organization, and geographic location. You may find that local employees have higher feelings of belonging than remote employees, or that those with English as a second language are not getting as many stretch projects as those with English as a first language.

Listening Sessions

After you’re finished with your audit and surveys, listening sessions will enable you to dive a bit deeper into the sentiments at your organization. Participants in a listening session are asked to talk about their experiences and are asked specific questions about a topic. The goal is to understand the opportunities and challenges surrounding DEI as perceived by the staff of an organization. Questions might include “How are you feeling about DEI at [organization]?” or “Would you recommend [organization] to your friends as a good place to work? Why or why not?”

Listening sessions should ideally include no more than 20 participants to ensure that everyone has an opportunity to speak. Listening sessions should always be facilitated by an external consultant so that participants feel able to share openly and honestly.



Final Considerations

Working Backwards

One of the most powerful ways to determine what data should be collected is to start with the question you would like to answer and work backwards to determine what needs to be collected.

For Example

- ◆ **Goal: Attract and retain people with disabilities.**
- ◆ **Data to be collected:**
 - ▶ Number of self-identified job applicants with disabilities
 - ▶ Inclusion index/sentiment of people with disabilities
 - ▶ Participation in your company's disability employee resource group (ERG)
 - ▶ Pay equity data

Your Communications Approach

Keep in mind two key principles throughout the data-gathering process: maintaining confidentiality and explaining the 'why.'

First, be sure to communicate that all data will be aggregated, and only trends and key findings will be shared. Make sure to explain that you will analyze sentiments across demographic groups but will not dissect the data in any way that singles out employees (i.e. if you only have one woman on your team, you won't share sentiments comparing men and women).

Second, be sure that all employees understand why you are collecting this data. Explain that the participation of each person is valuable to understanding the true climate at the organization, and that each person's input will shape the goals and initiatives that are to be set.

Analyze the Information

Now that you've collected rich data via audits, surveys, and listening sessions, it's time to put it all together and pull out the key findings. Take a step back. Are there clear trends or obvious outliers? What did you expect? What did you not expect? Are there discrepancies between demographic groups' feelings of belonging? Are there question-specific trends?

This process of analysis can feel daunting and a bit like a treasure hunt. But, we are here to help. **Analytics by The Diversity Movement combines a powerful survey tool with dashboards that support real-time segmentation to track your overall diversity, equity, and inclusion progress, gaps, and opportunities for growth.** This enables organizations to visualize sentiment and pinpoint areas of the business that need attention, while still providing a holistic view of your DEI progress.

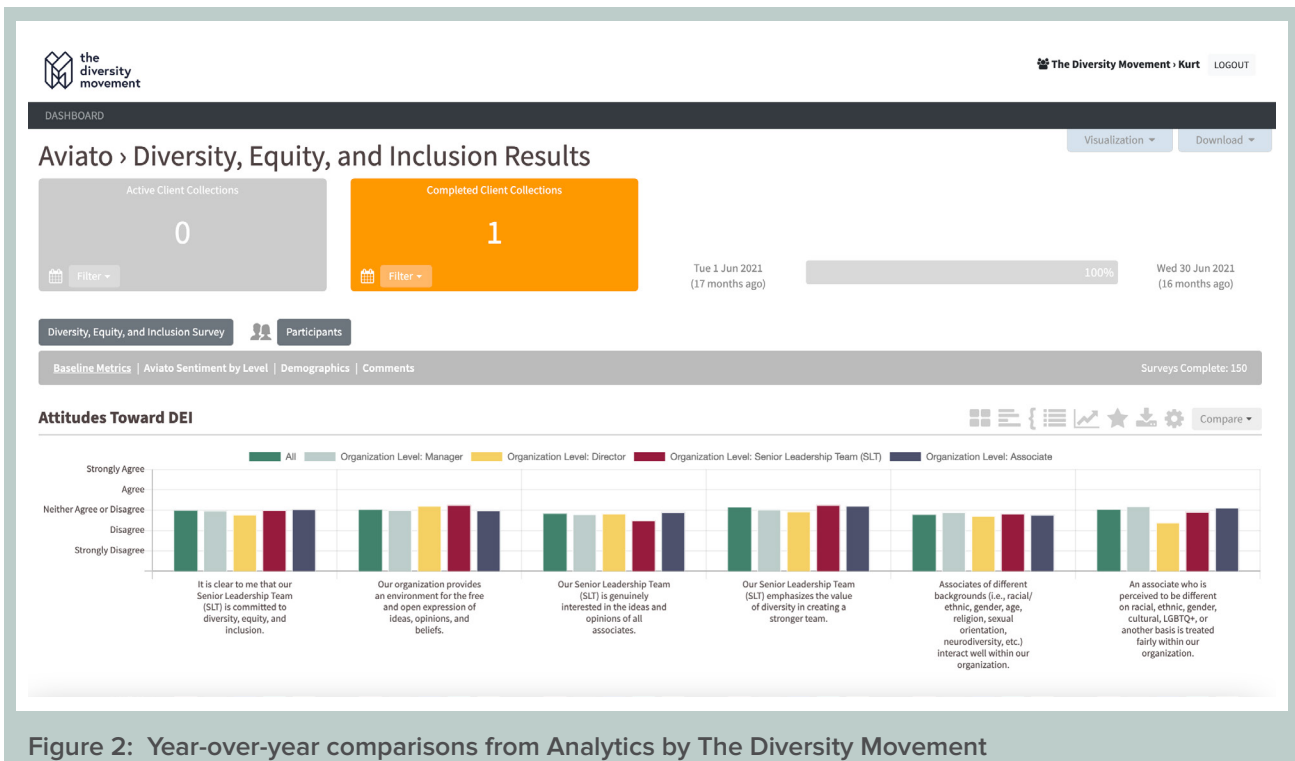


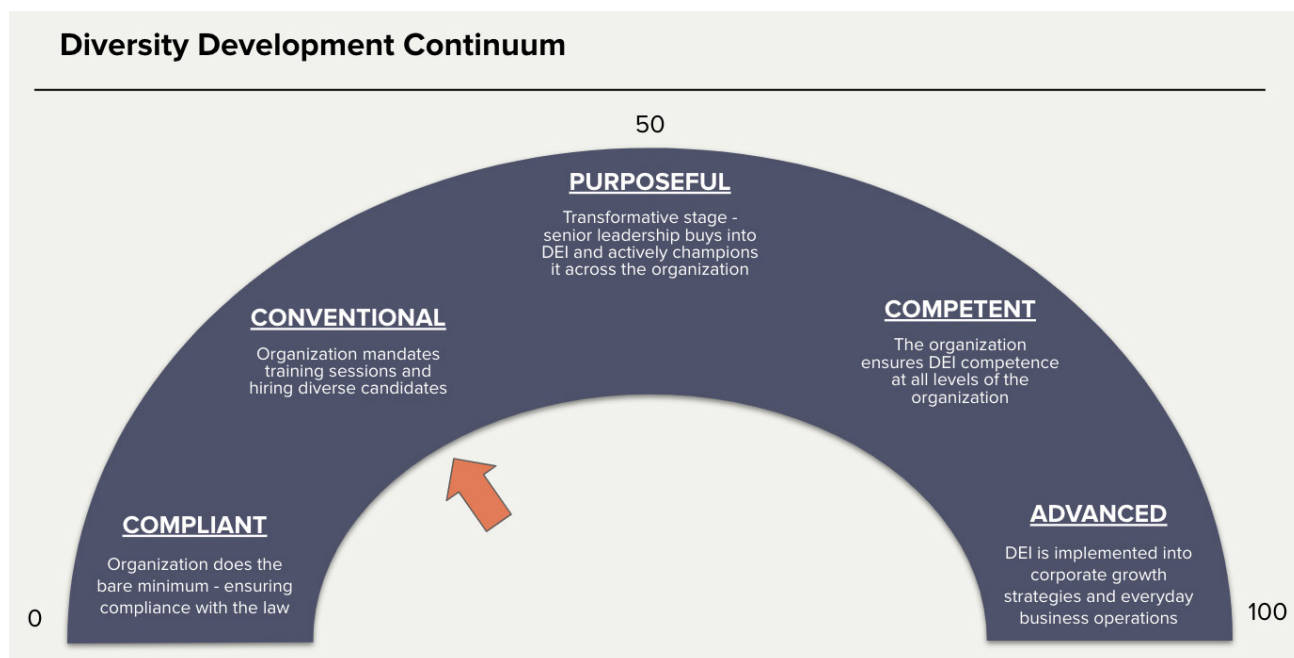
Figure 2: Year-over-year comparisons from Analytics by The Diversity Movement

One specific trend that Analytics has identified to date includes a discrepancy between leadership commitment to DEI and perceptions of fair promotion and compensation. Here is sample data aggregated from The Diversity Movement clients.

- ◆ It is clear to me that leadership is committed to diversity, equity, and inclusion: 66% agreement across organizations (n=3793)
- ◆ Promotion decisions are fair: 51% agreement across organizations (n=2109)
- ◆ I feel that my compensation is fair relative to similar organizations: 56% agreement across organizations (n=2600)

Once you've aggregated and begun to analyze your data, we recommend that you benchmark your results against industry leaders and your own internal goals. For instance, are women underrepresented at your organization compared to the industry standard? Or, are feelings of belonging among Black/African American employees lower than you had hoped?

Now that you've dug into the specific subsections of data to identify trends, outliers, and unexpected results, it's time to take a holistic view again. Taking everything that you've learned about your organization, where do you stand on the Diversity Development Continuum, a five-step scale developed by The Society for Diversity?



Having specific data points to report alongside an overarching picture of your organization's DEI maturity paints a holistic picture of your starting point, which will allow you to see clear progression over time.

Share your Results

The presentation of your findings is as important, if not more important, than the data itself when it comes to gaining buy-in and influencing others. The key is understanding your audience and transforming your data into actionable insights that read like [stories](#).

Let's say you want to increase the number of employees with disabilities in your organization. Your data reveals that the number of applicants that identify as having a disability is increasing, the ERG for people with disabilities is growing in attendance, but retention is the same as it was before you started the initiative.

To get buy-in from your team, you need to go beyond reporting facts and numbers. This example is correct but not engaging: "We have increased people who self-identify as having a disability by 20%. Our ERG has increased attendance by 25%. However, our retention of people with disabilities is flat."



Instead, you need to explain why the survey results matter to the organization, and what the broader context is. Tell a story using the data.

Insights report:

“ We began a journey last year to become the employer of choice for people with disabilities. People with disabilities are an underestimated part of the workforce who can provide significant value for our teams at a time when it is difficult to hire talent. **Our goals were to:**

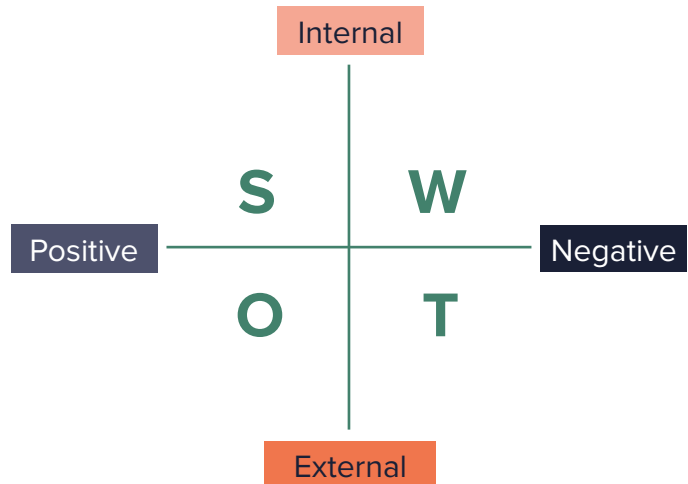
- ◆ Attract more job-seekers with disabilities
- ◆ Provide education for the organization through our ERG
- ◆ Improve retention

“ We are seeing progress against our first two goals. Our efforts to feature our team members with disabilities on the website and promotion of our ERG resulted in more people with disabilities self-identifying. We still have work to do in retaining people with disabilities. One bright spot is in the finance organization, where we are seeing improvements in retention due to the participation of finance managers in the disability ERG.

While this example is focused on people with disabilities, this approach can work for any element of your DEI initiative. **We recommend that your insights report follows this structure:**

- ◆ **Executive summary:** Make sure that there is a hook that describes the “why” for your organization and as much context around the results as you can provide. Areas of strength and areas for additional focus should be included and linked to the goals of the organization.
- ◆ **Assessment methodology:** What specifically was reviewed in the assessment? (e.g., survey response rate, total listening session attendees, policies reviewed, etc.)
- ◆ **Survey data:** Including demographics and gaps identified, quantitative questions with highest and lowest levels of agreement, and themed open-ended question responses
- ◆ **Listening session themes:** The most common are: general sentiment around DEI; leadership commitment; sense of belonging and inclusion; discrimination, harassment, exclusion, and bias; work/life balance; hiring and recruitment; career development and advancement opportunities; compensation; DEI training and initiatives
- ◆ **Diversity Development Continuum:** Where your organization falls

As part of your Executive Summary, you may also choose to present your data in a **SWOT, or strengths, weaknesses, opportunities, and threats** format. This grid includes the business case for DEI, who is doing it well in your industry, overall industry demographics, and how your organization stacks up. This is where you name what is currently happening internally and externally, what needs to change, and why.



And remember, you can utilize different data points to gain buy-in from specific groups within your organization. For instance, your CHRO might want to know that increased turnover in the last year was due, at least in part, to feelings of exclusion. Your CEO will want to know women within the organization aren't represented at the senior level. Your marketing team will need to know if certain markets are being overlooked due to non-inclusive marketing tactics.

Implement Your Initiatives

Once you've communicated your findings and gained support from stakeholders, it's time to put your findings into action. Your data should directly inform the goals you set and the initiatives you take, like these examples.

Goal: If turnover was 10% last year and we believe that feelings of exclusion contributed to this, a goal for the next year may be to decrease turnover to 5%.

Action: In order to do so, you may implement stay interviews to monitor employee sentiment while they are still at the company, establish ERGs to foster belonging, or roll out training on inclusive language.

Goal: If women are underrepresented at the senior level, it may be due to inequitable promotion outcomes. Aim to increase women’s representation at the senior level by 15% in the next two years.

Action: If women are being promoted at a lower rate than men, look at promotion requirements and determine whether women are at a disadvantage in meeting those. For example, are women assigned to stretch assignments?

Refine Your Information

As your initiatives are implemented, you’ll want to repeat measurements of the same key indicators at regular intervals. This way you can chart quarter-over-quarter or year-over-year progress. You should then be able to calculate the return on investment (ROI) of your DEI programs.

Analytics by The Diversity Movement makes charting progress simple by providing comparison templates so that you can visualize your data in easy-to-digest ways. You can see exactly which areas improved, stalled, or declined.

Leading ROI calculations include:

MARKET IMPACTS

- ◆ Sales
- ◆ Customer satisfaction
- ◆ Market share
- ◆ Geographic reach
- ◆ Reputational capital
- ◆ Economies of scale/cost structure

WORKFORCE IMPACTS

- ◆ Recruitment
- ◆ Attrition, retention, turnover, replacement
- ◆ Unexcused absences
- ◆ Safety incidents
- ◆ Discretionary effort
- ◆ Innovation

For instance, perhaps sales leads increased as a direct result of making your newsletter digitally accessible. Maybe frontline customer satisfaction ratings increased after workers were trained in inclusive language. Maybe market share increased by 4% after you translated your marketing materials into Spanish.

Or maybe your impacts were internal: You saw a 16% increase in job applicants after removing gender-coded language from your job descriptions; or turnover decreased by 23% compared to the last year; or your company filed for two new patents as a result of fostering a culture where all people feel empowered to contribute their ideas.

The above outcomes rely on a marriage between business-oriented and DEI-specific metrics. The DEI metrics inform the actions, and should be measured regularly to monitor culture and employee sentiment, but the business metrics (leads, market share, turnover, innovation) indicate the outcomes.

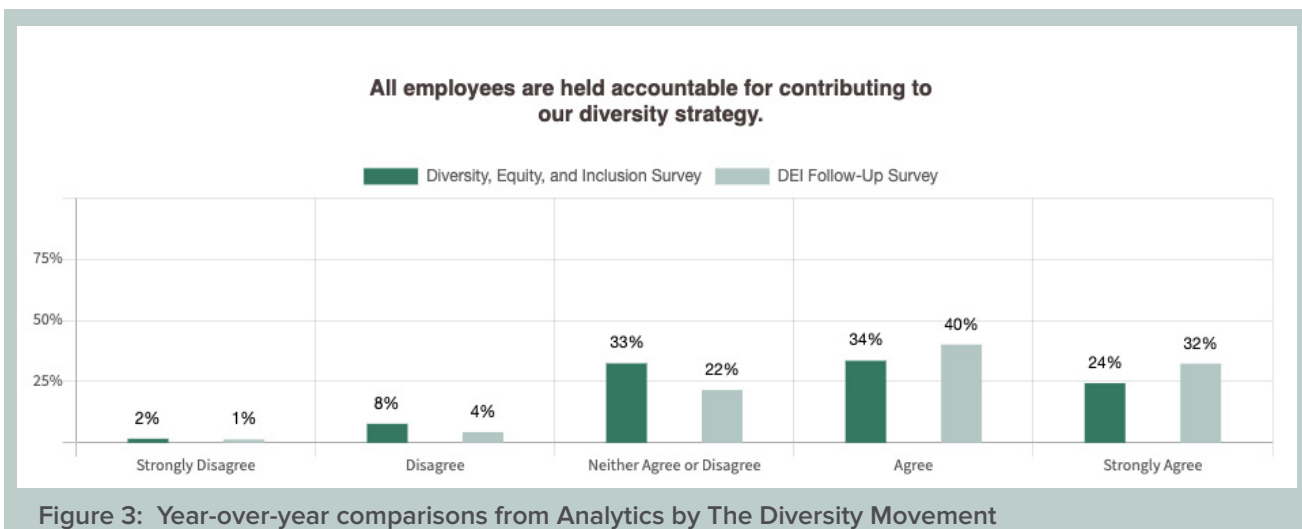


Figure 3: Year-over-year comparisons from Analytics by The Diversity Movement

In addition to measuring progress via regular audits, surveys, and listening sessions, you should also collect data on the impact of DEI programs. Program data should be collected before and after any specific DEI initiative, program, or training is implemented. If pre- and post-program data collection is used, an organization can track potential growth in learners' engagement, participants' understanding, and application of DEI concepts. Program data allows you to attribute progress and success to the specific initiative.

And don't forget to regularly communicate your findings, and consequential actions, to employees. "Employees want to know their opinions lead to real change in the organization. Be sure to create a plan to communicate aggregated survey results and intended next actions following the survey. When employees see firsthand the impact the survey has had, they will be more likely to share their honest opinion on future surveys" (Source: Gartner 2021).

As organizations continue to invest in DEI, they will expect to see the direct impact of DEI initiatives on their bottom line. To demonstrate the ROI of DEI and its influence on business success, companies need to be able to combine data and storytelling in a way that's easy to understand and powerful to see.

Move from DEI awareness to DEI action with [Analytics by The Diversity Movement](#). We give you the tools to use your data to build a successful, culture-centric organization.



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Kaela Sosa, CDE, is Curriculum and Programming Manager at The Diversity Movement as well as one of its founding members. With a degree in Psychology and Gender Studies, Kaela has fought for the visibility and acknowledgement of issues pertaining to underrepresented groups for nearly a decade.

About The Diversity Movement

The Diversity Movement offers a suite of employee experience applications that personalizes diversity, equity, and inclusion (DEI) for your organization and delivers real world business outcomes. Our team of experts provides a customized mix of online learning, tools, events, and consulting services that help our partners create future focused, employee-centered cultures. Learn more at thediversitymovement.com.